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# ECONOMIC COMMISSION FOR EUROPE

## ANNUAL REPORT

(22 April 1989 – 27 April 1990)

## ADDENDUM

**ECONOMIC AND SOCIAL COUNCIL**
**OFFICIAL RECORDS, 1990**

**SUPPLEMENT No. 12**

**UNITED NATIONS**

## NOTE

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ECONOMIC COMMISSION FOR EUROPE

Annual Report covering the period from 22 April 1989 to 27 April 1990

CHAPTER III

FORTY-FIFTH SESSION OF THE COMMISSION

D. Account of Proceedings

ADDENDUM

1. In accordance with the provisions of Commission decision A (45), the Commission resumed its forty-fifth session on 14 December 1990 to consider the recommendations of the Special Working Group.

2. The meeting was attended by representatives from: Austria, Belgium, Bulgaria, Byelorussian Soviet Socialist Republic, Canada, Cyprus, Czech and Slovak Federal Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Malta, Netherlands, Norway, Poland, Romania, Spain, Sweden, Switzerland, Turkey, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America and Yugoslavia.

3. The meeting was attended by representatives of the European Economic Community (EEC).

4. Representatives of the United Nations Conference on Trade and Development (UNCTAD), the United Nations Development Programme (UNDP) and the following specialized agencies were in attendance: International Labour Organisation (ILO), United Nations Industrial Development Organization (UNIDO).

5. The following non-governmental organization was represented: International Organization for Standardization (ISO).

6. Mr. B. Sujka (Poland) and Mr. O. Mennander (Finland), Chairman and Vice-Chairman respectively of the forty-fifth session of the Commission, presided over the meeting.

7. The Commission adopted its agenda as contained in document E/ECE/1226.

8. Under agenda item 2, "The activities of the Economic Commission for Europe: Report of the Special Working Group and recommendations for decision", the Commission, acting on the recommendation contained in the report of the Special Working Group (ECE/AC.19/4), adopted its decision O (45) on the activities of the Economic Commission for Europe, and its decision P (45) on institutional arrangements for the Economic Commission for Europe. (For the text of these decisions, see Chapter IV.)

9. The Chairman made a statement in which he recalled that the Special Working Group had agreed to carry out this work on the principle that the priority areas would not necessarily be limited to activities within the relevant Principal Subsidiary Bodies but would also cover related activities within the framework of other Principal Subsidiary Bodies.

10. The Commission also heard statements by the USSR, Italy, Czech and Slovak Federal Republic, Hungary, Switzerland, Turkey, Yugoslavia, Austria, Finland, Sweden and Norway, in that order.

11. The delegation of the USSR noted that the activity of the Special Working Group had taken place against the background of the preparations for and holding of the Paris Summit and showed that all member countries were interested in further co-operation within the ECE on a new non-confrontational basis under conditions of a new Europe with no blocks. The priorities for the ECE activity had been specified and defined. General understanding had been achieved that all the elements in the work programmes of the Principal Subsidiary Bodies which related to these priorities would also have priority. The whole set of arrangements achieved had to be tested in practice, prove its effectiveness and play a positive role in the creation of the new Commission.

12. The representative of Italy, speaking on behalf of the member States of the European Community, made a statement under this item. The text of his statement was distributed to all delegations.

13. The representative of the Czech and Slovak Federal Republic welcomed the fact that the Paris CSCE Summit, in the light of regional and "transcontinental" developments, had given the ECE new important tasks. He appreciated highly the assistance given by west European countries, the USA and Canada to the central and east European countries in their efforts in the process of transition to a market economy and in their structural adjustment of the economy. These facts had speeded up further the internationalization of the all-European movement and geo-economic impulses, giving rise to the need for rational and pragmatic regional approaches. The annual sessions and subsidiary bodies of the ECE should participate effectively in that process for the gradual all-European development that was also a precondition of economic growth and prosperity in other regions of the world.

14. The delegation of Hungary stated that duplication should, of course, be avoided and co-ordination strengthened. In spite of all efforts, however, some parallel activities were unavoidable. Consequently, the ECE would have to face competition but, according to market economy experience, competition was stimulating.

15. The representative of Turkey, while indicating that the ECE had a unique role in assisting the endeavours of the countries in transition to restructure their economies in an effort to integrate into the global economy, also stated that with the new decisions the Commission would acquire a momentum and vitality which would serve the interests of all member States in a balanced way. Expressing satisfaction also with the confirmation of the significance of the Commission recognizing the needs and constraints of the developing member States, he also indicated that there existed an opportunity for the ECE to explore new avenues and possibilities for co-operation among interested countries particularly on a regional basis.

16. The representative of Yugoslavia pointed out the outstanding performance of the ECE in the CSCE process which was now developing into a genuine all-European enterprise. While paying full attention to the concerns of the European countries in transition to a market economy, the ECE should also continue to assist in meeting the special needs of the member countries which were developing from an economic point of view and offer its potential for the development of regional co-operation with the Mediterranean countries.

17. The delegation of Norway fully supported the different recommendations in document ECE/AC.19/R.1, but regretted that there was no direct reference to the Bergen Ministerial Declaration in the environmental text. In spite of this, it was convinced that the successful outcome of the Bergen Conference would be duly reflected in the forthcoming ECE activities. The

proposals put forward by the Special Working Group to streamline the structure of the ECE were positive. The distinction between priority areas of activity and other priorities was a wise one. Norway took a great interest in the work of the ECE related to energy questions. This work provided useful opportunities for exchange of information and experience in a comprehensive European context. The delegation had no doubt that such co-operation would be increasingly important for efforts addressing common regional challenges in the energy sector. The decision to convene ad hoc informal meetings between Annual Sessions was highly welcomed by Norway as it reflected the changing political and socio-economic circumstances in the ECE region.

18. The delegation of Austria underlined that in setting up the Special Working Group the Commission had reacted rapidly to the changes in Europe. It expressed its conviction that the adoption of new working methods, which Austria had advocated for quite some time, would be an important factor in the ECE's future work. Applied properly, the recommendations of the Special Working Group would help the ECE to make the most effective use of its assets.

19. There was no discussion under agenda item 3 - "Other business".

20. The Commission adopted a brief report of its resumed session.

CHAPTER IV

RESOLUTION AND OTHER DECISIONS ADOPTED BY THE
FORTY-FIFTH SESSION OF THE ECONOMIC COMMISSION FOR EUROPE

ADDENDUM

O (45) THE ACTIVITIES OF THE ECONOMIC COMMISSION FOR EUROPE

The Economic Commission for Europe,

In fulfilment of its decision A (45), and in the light of the conclusions of the CSCE Summit Meeting in Paris,

1. Decides on the following priority areas of activity: environment, transport, statistics, trade facilitation, and economic analysis. In doing so, the Commission recognizes the need to re-evaluate its priorities from time to time in accordance with changed circumstances;

2. Decides to take the following practical measures in the priority areas of activity:

1. ENVIRONMENT

(a) The Commission attaches special importance to the ECE as a forum for the elaboration of regional legal instruments in the field of environment, and for relevant follow-up action.

(b) The Commission urges the Executive Secretary to take all possible steps to provide, within existing resources, the necessary human and financial resources to the Environment and Human Settlements Division for:

(i) the servicing of possible follow-up activities in the framework of the conventions currently under way on Environmental Impact Assessment, Transboundary Water Courses and Industrial Accidents;

(ii) the continuation of the ongoing work, and the taking up of possible future activities relating to the Executive Body for the Convention on Long-range Transboundary Air Pollution and its Protocols.

(c) The Commission requests the Senior Advisers on Environmental and Water Problems and the Executive Body for the Convention on Long-range Transboundary Air Pollution:

(i) to initiate a continuing review of their priorities, taking into account the activities of other international organizations active in environmental matters, and the impact which ECE activities in other areas, such as energy, can have on the environmental sector;

(ii) to give special attention to activities which could support the development of environmentally sound economies in countries with economies in transition as well as in countries that are developing from the economic point of view, including the exchange of information on, and experiences with, appropriate technologies.

(d) The Commission requests the Executive Secretary to draw the necessary resources, first, from activities that the Senior Advisers on Environmental and Water Problems identify as not being priorities in their own work programme, and second, from the lowest priority activities of the Principal Subsidiary Bodies, which are not among the priority sectors, and from savings achieved by improving administrative activities and the organization of work of the ECE.

(e) In order to ensure co-ordination on a continuing basis of the ECE's activities in the area of environment, the Commission invites the Executive Secretary:

(i) to ensure harmonization of approach among secretariat Divisions, and to encourage adequate exchanges of information among Principal Subsidiary Bodies regarding proposed initiatives and work programme elements having environmental aspects;

(ii) to prepare annually a report on this matter for consideration by the Commission.

(f) To ensure co-operation and co-ordination with the other international organizations active in the field of environment, the Executive Secretary is invited to consult closely with the secretariats of the other international organizations, and to report to the Senior Advisers and the Commission periodically on the steps taken.

## II. TRANSPORT

(a) The Commission regards transport as one of the priority areas of work, and attaches great importance to the role of the Inland Transport Committee in the harmonization of standards and regulations on the construction of vehicles, the transport of dangerous goods, road traffic safety and customs requirements, and in the development of coherent transport infrastructures.

(b) The Commission welcomes the convening of meetings of the Informal Group of High-Level Experts of the Inland Transport Committee to review its programme of work, structure and working methods. The Commission notes the recommendations of the Informal Group, and requests the Inland Transport Committee to examine these proposals, and to take them into consideration, where appropriate, in determining changes and the priority to be attached to its current and any new activities.

(c) The Commission requests in particular that the Inland Transport Committee give priority to the continuation of its work on standardization and administration of existing conventions; to the revision and development of these agreements, if necessary, to facilitate their extension to economies in transition; to helping economies in transition and the member countries which are developing from an economic point of view with planning and advice on infrastructural developments needed to achieve a harmonized and coherent European transport network; to assisting, as appropriate, in promoting Electronic Data Interchange for Administration, Commerce and Transport (EDIFACT); and in the promotion of environmentally sound modes of transport.

(d) The Commission notes that the anticipated significant increase in demand for passenger and goods transport and the rapid institutional changes and technological advances in the ECE region require urgent attention if the ECE is to continue to play a leading role in regional transport co-operation, taking into account the need for an efficient distribution of tasks between the ECE and other international organizations specialized in this field. The Commission therefore requests the Executive Secretary, as a matter of urgency, to appoint properly qualified and experienced staff to fill existing vacancies, and to arrange immediately for the provision of data-processing equipment to enable the Transport Division to carry out its priority tasks effectively and efficiently with the minimum possible further delay. The Commission also invites

the Executive Secretary to consider the allocation of additional staff resources to the Transport Division to enable it to carry out the additional work that could arise in the light of the changes in Europe.

(e) The Commission requests the Executive Secretary to draw the necessary resources, first, from activities that the Inland Transport Committee identifies as not being priorities in its own work programme, and second, from the lowest priority activities of the Principal Subsidiary Bodies which are not among the priority sectors, and from savings achieved by improving administrative activities and the organization of work of the ECE.

(f) The Commission invites the Executive Secretary to suggest improvements in the internal co-ordination and harmonization of the activities of all the Principal Subsidiary Bodies, particularly with regard to the priority sectors. The Commission also invites the Executive Secretary to consult closely with the secretariats of other international organizations to avoid duplication in areas of mutual interest, and to report to the Commission as soon as possible on the steps taken to carry out the Commission's requests.

(g) The Commission draws the attention of the Executive Secretary to its decision K (45) and underlines the importance it attaches to the implementation of this decision without further delay to enable the Transport Division to fulfil its vital role in contributing to the efficient management of inland transport, contributing to coherent multilateral regional transport planning, to safety, to environment, and ultimately to the economic development and benefit of member States.

## III. STATISTICS

(a) The Commission regards statistical activities as a priority area of its work, and attaches particular importance to the central role of the Conference of European Statisticians as an institution which includes the National Statistical Offices of all countries in the region, in the framework of the mechanisms of co-operation among international and supranational organizations active in the field of statistics.

(b) Taking into account the changing international context in the region, and the particular needs of countries that are developing from the economic point of view, the Commission urges the Conference of European Statisticians to pursue the initiatives that it has already taken to develop new methods of work, and requests the Conference to continue to review periodically its priorities and to eliminate non-priority elements in its work programme.

(c) The Commission underlines the need for strong statistical support for its priority areas of environment, transport, trade facilitation, and economic analysis.

(d) The Commission requests the Executive Secretary, taking into account the advice of the Conference of European Statisticians and its Bureau, to implement practical measures to ensure the reinforcement of the role of the Statistical Division in the effective co-ordination of all statistical activities of the ECE.

(e) The Commission urges the Conference of European Statisticians to pursue the intiatives it has already undertaken to adapt its work programme to the present needs of economies in transition, and particularly to those that can most suitably be addressed within the framework of multilateral co-operation.

(f) In this context, the Commission invites the Conference and the Executive Secretary to utilize fully the intersecretariat mechanism established under the auspices of Eurostat in the field of statistical co-operation with central and eastern Europe, with a view to achieving a more efficient co-ordination among international organizations, and to avoiding duplication of work.

(g) The Commission considers that there is an increasing need for transparency, efficient work, and clear distribution of tasks among the international and supranational organizations involved in multilateral co-operation on statistics in the region. In addition, there is a need for shared data collection by international and supranational organizations in the region in order not to add unnecessarily to the burden that the provision of information places on the member States. Therefore, the Commission requests the Executive Secretary, taking into account the advice of the Conference of European Statisticians and its Bureau, to implement practical measures to ensure efficient co-ordination between the ECE secretariat and the secretariats of other international and supranational organizations, notably the OECD and Eurostat, and to report to the Commission periodically on the steps taken to carry out this request.

(h) The Commission requests the Conference of European Statisticians to evaluate periodically the utility and impact of the ECE's various statistical publications for policy makers and enterprises in the region, and to formulate recommendations concerning:

(i) the discontinuation of publications of low interest;

(ii) improvements to the format, substance and arrangements for distribution of publications actually or potentially of high interest.

(i) The Commission considers that for several years inadequate human and financial resources have adversely affected secretariat support for statistical programmes of the ECE. The Commission therefore urges the Executive Secretary to take all possible steps to provide the Statistical Division with adequate human and financial resources to support ongoing work in priority areas and implementation of new activities initiated by the Conference of European Statisticians on the basis of present and developing requirements for statistical co-operation.

(j) The Commission requests the Executive Secretary to draw the necessary resources, first, from activities that the Conference of European Statisticians identifies as not being priorities in its own work programme, and second, from the lowest priority activities of the Principal Subsidiary Bodies which are not among the priority sectors, and from savings achieved by improving administrative activities and the organization of work of the ECE.

(k) The Commission urges the Conference of European Statisticians to consider strengthening the role envisaged for the Bureau in supervising, under the guidance of the Conference, the implementation of the statistical programme and activities of the ECE, and in making suggestions to the Executive Secretary regarding related secretariat support. The Commission welcomes the initiative already taken by the Conference to consider the future of the Bureau and its composition, and to elaborate its mandate and rules of procedure.

## IV. TRADE FACILITATION

(a) The Commission regards trade facilitation as a priority area of its work, and attaches particular importance to the development of Electronic Data Interchange which will permit unprecedented increases in efficiency and financial savings in the conduct of international trade.

(b) The Commission confirms that the Working Party on the Facilitation of International Trade Procedures should remain the body responsible for developing and maintaining UN/EDIFACT standards, and invites it to accelerate its efforts further to develop and to support the universal application of the UN/EDIFACT standard.

(c) Recognizing the particular economic interests and concerns of countries as they achieve a market economy, inter alia that the facilitation of trade is one of the concerns for countries in transition as well as countries developing from an economic point of view, the Commission stresses the importance of addressing the special problems of these countries in this field and recommends to the Working Party that it seek constructive and co-operative means of doing so.

(d) The Commission invites the Executive Secretary to undertake co-operation and co-ordination with the other regional commissions of the United Nations, and with other international organizations active in the field of trade facilitation, and requests him to submit proposals for any interregional project to the Working Party and to the Commission for discussion and decision.

(e) The Commission recalls its decision J (45) and requests the Executive Secretary to provide, from within existing resources, the additional resources specified by the Working Party, as described in document TRADE/WP.4/R.659, for the appropriate application of UN/EDIFACT in all participating countries. Furthermore, the Commission notes with satisfaction the contribution by several Governments and enterprises of extrabudgetary resources for the development and maintenance of UN/EDIFACT, and encourages the continuation of such contributions in order to limit the impact of this activity on the resources of the ECE.

## V. ECONOMIC ANALYSIS

(a) The Commission regards economic analysis as an area of priority within its mandate as an instrument for strengthening economic relations and multilateral co-operation among its member countries and with other regions of the world.

(b) The Commission, reaffirming its decision D (45), and conscious of the need to continue to pay special attention to the interests of member countries which are developing from an economic point of view, stresses the urgency of an increased observation, identification and analysis of the development of economies in central and eastern Europe, in order to promote the process of economic reform, and to integrate the economies in transition with the global economy.

(c) The Commission emphasizes the need for a close co-operation with the European Community, and with the other international institutions dealing with the same issues of economic research and analysis, including the IMF, IBRD, EBRD, GATT and, in particular, the OECD, in order to avoid duplication of efforts, and to determine the areas in which each organization has special competence. It recommends, therefore, the establishment of intersecretariat mechanisms and regular contacts promoting the most efficient co-ordination.

(d) The Commission attaches importance to the work of the Senior Economic Advisers and welcomes their intention to deepen their exchanges on regional economic development and national economic policies, and to explore new methods of work.

(e) In this regard, it endorses the proposal made by the Senior Economic Advisers in May 1990 of the preliminary list of practical themes that may be suggested to the Principal Subsidiary Bodies concerned to contribute, under the auspices of the Senior Economic Advisers, to the preparation of workshops on the transition to market economies.

(f) The Commission, referring to its decision H (45) on the report of the World Commission on Environment and Development, also notes with interest the work accomplished by the Senior Economic Advisers, together with the Senior Advisers on Environmental and Water Problems, on the link between environment and economics.

(g) The Commission encourages progress in developing, in co-operation with the other Principal Subsidiary Bodies, sectoral and interdisciplinary activities contributing to sustainable economic development.

(h) The Commission attaches great importance to the high quality of the analysis contained in the annual Economic Survey of Europe, the Economic Bulletin for Europe, and the other studies prepared by the secretariat, which are widely appreciated by policy makers and the general public.

(i) While stressing the need for a complete independence of the secretariat in that field of activity, it invites the Senior Economic Advisers to offer comments on the issues raised in these surveys, to identify topics that they would like to see treated in future editions, and to take fully into account these surveys in their work. In a similar way, it invites the Committee on the Development of Trade to make the best possible use of the Economic Bulletin for Europe.

(j) The Commission also recommends that the Economic Survey of Europe should be published, at least in an abbreviated form, in due time to be properly studied and reflected upon during its annual session.

(k) The Commission further recommends a periodical evaluation of the impact of the various publications prepared by the Division for Economic Analysis and Projections on the broader public, and of the means to improve their format, substance and arrangements for distribution in order to achieve the best utility to, and access by, policy makers and the business community.

(l) The Commission invites the Executive Secretary to provide the Division for Economic Analysis and Projections with the human and financial resources necessary for the ECE to maintain its important role in economic analysis in Europe, and in particular with a stronger computing and statistical support allowing the development of adequate specialized data bases, appropriate research on such data, and proper analysis of medium and long term economic perspectives in the region.

* * *

3. Decides, in order to promote the process of economic reform and integrating the economies in transition with the global economy, on the following broad outlines of work in sectors not identified as priorities:

(a) The Commission understands the processes of economic reform and transition from centrally-planned to market economies to entail programmes of privatizing enterprises and adjusting government institutions, policies and methods to conform to the needs of an economic society whose basic decisions are determined by markets rather than by command. The Commission accordingly must adjust its work methods, goals and structures to reflect the nature of these processes. Analytical work on the nature and difficulties of the transition process is accorded high priority, as noted, for example, in the Commission's recommendations concerning economic analysis.

(b) The Commission notes that its work in the five priority sectors contributes significantly to promoting reform and integration or reintegration of the economies in transition with the economies of the ECE region and therefore with the global economy.

(c) The Commission further notes that for areas not identified as priorities -- industry and technology, energy, agriculture and timber, human settlements, and trade (other than trade facilitation) -- the question posed by subparagraph 1(c) of decision A (45) is what sorts of work and work methods can contribute most to assisting the process of transition, including especially privatization of enterprises, given the diminished resources that will be available to at least some of these sectors, the competencies and experience of the ECE, and the need to avoid duplicating or competing with work best done by enterprises, by Governments acting bilaterally, or by other international organizations. The Commission also notes with satisfaction that the work programmes of the Principal Subsidiary Bodies dealing with these sectors contain elements relevant to the priorities of the ECE.

(d) The Commission observes that the benefits initially sought by countries in transition are contacts and technical and policy advice, and that transition-related activities, if they are to serve a real purpose, must meet the following criteria: they must be:

(i) topical (pertinent to real needs),

(ii) timely (occurring while the issue is being addressed),

(iii) useful (of interest to parties who actually deal with such issues in ECE countries),

(iv) economical (permitting the most effective possible use of scarce multilateral resources), and

(v) non-duplicative of work in other fora.

(e) In view of these considerations the Commission determines that the primary work methods employed to address transition issues should be workshops, symposia and other similar informal fora, and that it is essential to preserve the expedited approval process for such activities, in accordance with the guidelines for workshops adopted by the Committee on Housing, Building and Planning at its fifty-first session (ECE/HBP/80, annex II), except that the formal approval of the Commission or the Principal Subsidiary Body shall not be required. This does not exclude the possibility that ECE activities subject to normal approval procedures may also address transition issues.

(f) As to the nature of the topics to be addressed by such informal activities, the Commission draws the attention of the member countries, the secretariat and Principal Subsidiary Bodies to decision D (45) and to Annex II to the report of the twenty-sixth session of the Senior Economic Advisers (ECE/EC.AD/36), concerning "The work of the Economic Commission for Europe concerning economies in transition in Eastern and Central Europe," and in particular to the definition of "workshop" and the preliminary indicative list of themes that might serve as a basis for the organization of workshops.

(g) In addition, the Commission identifies, as examples, the following general categories of issues and problems to be addressed by workshops, symposia and similar informal activities concerning transition:

(i) For all sectors:

a. issues related to problems of the privatization of enterprises, including asset valuation and adaptation to market prices, are of special relevance and concern;

b. issues related to restructuring State enterprises and equipping them to operate on a competitive, market-oriented basis;

c. issues related to income maintenance and the provision of essential services, such as health and education, in the transition to a market economy.

(ii) For industrial development and technology:

a. issues of promotion of investment in industrial upgrading and new production technologies;

b. issues of promotion of sustainable industrial development, including creation of appropriate environmental standards and practices for industry;

c. issues related to upgrading the labour force and redeploying it from uncompetitive industries.

(iii) For the development of trade:

a. the costs of protectionism and managed trade in terms of foregone output and employment;

b. links between trade and investment;

c. encouraging small and medium-sized enterprises to engage in international trade.

(iv) For energy:

a. promoting efficient use of energy, its conservation, and development of environmentally sound energy production, storage, distribution and consumption, including safety aspects;

b. policies to facilitate adjustment by enterprises and households to world market prices for energy.

(v) For agriculture and timber:

a. focus on issues of agriculture and environment in a market-economy context, and on economic analysis in the agri-food sector, emphasizing economies in transition, as discussed by the Ad hoc Working Group on ECE-FAO Co-operation at its meeting on 18-19 September in Berlin.

(vi) For housing, building and planning:

a. socio-economic issues of sustainable housing development in the context of a market economy.

(h) The Commission reiterates to the Principal Subsidiary Bodies working in sectors not identified as priorities that they must accomplish their work within the context of current or in some cases diminished resources, in accordance with the Commission's recommendations concerning redeployment of resources to the priority sectors under subparagraph 1(b) of decision A (45).

(i) The Commission therefore requests Principal Subsidiary Bodies working in sectors not identified as priorities to rank-order the priority of the programme elements in their work programmes, and to this end to add an item to each of their agendas pertaining to this rank-ordering. Principal Subsidiary Bodies meeting during January-March 1991 should submit this

rank-ordering to the forty-sixth session of the Commission, and Principal Subsidiary Bodies meeting after the forty-sixth session should submit their rank-ordering to the forty-seventh session. If a Principal Subsidiary Body should not arrive at a rank-ordering of the programme elements of its work programme, the secretariat will prepare a proposed rank-ordering of programme elements and submit it through the Sessional Committee to the Commission's annual session for its consideration and approval.

(j) The Commission considers that work along the lines described above, focusing as it does on study and discussion of very particular issues, should provide useful information to Governments, enterprises and other international organizations. It will be important to invite participation in these activities by the EC and by international organizations, in particular the OECD, the GATT, the IMF, the IBRD, the EBRD, and others, both to enrich the activities and to assure co-ordination. In this manner, the ECE can serve as a forum for discussion of transition issues.

(k) The Executive Secretary is requested to report annually to the Commission on activities concerned with the transition process.

* * *

4. Decides, taking into account the provisions of paragraphs 1, 2 and 3 above, on the following measures on the methods of work, the structure, and the resources of the Commission:

## I. METHODS OF WORK

(a) The Commission decides, taking into account its decision on sub-paragraphs 1(a), (b) and (c) of decision A (45), that the Executive Secretary and the Principal Subsidiary Bodies should identify general principles in order to streamline and save resources. The Commission attaches particular importance to the following list, which is not exhaustive:

(i) The Principal Subsidiary Bodies will mainly address policy matters and supervise the technical work done by their subsidiary bodies;

(ii) Better co-ordination among different Divisions and among Principal Subsidiary Bodies;

(iii) Effective co-ordination with the international economic organizations and non-duplication of work with these bodies;

(iv) The presentation of the work programme of each Principal Subsidiary Body shall in future include a full priority ranking of all programme elements and, to the extent it is feasible, an estimate of the secretariat's resources needed for each activity, the timescale for its completion, and details of the objectives, means and expected output for each activity;

(v) Promotion of informal meetings and workshops.

(b) The Commission recalls the guidelines of the "Supplementary Report containing views and proposals of the ECE to the Special Commission of ECOSOC on the In-depth Study of the Intergovernmental Structure of the UN Economic and Social Sectors" (E/ECE/1150/Rev.1) and expresses its regret that many of the recommendations contained therein have not been applied. The Commission reaffirms those recommendations, insofar as they do not conflict with the present decision. The Commission decides, however, to delete from those recommendations all reference to two economic systems, as contained for example in paragraph 127 of document E/ECE/1150/Rev.1.

(c) The Commission exphasizes the importance of the procedures for approval of new programme elements set forth in paragraphs 127-129 of the Supplementary Report and calls on all its subsidiary bodies strictly to adhere to these procedures.

(d) The Commission underlines in particular the importance of paragraph 143 of the guidelines and therefore invites the member Governments to distribute their national statements prior to a meeting, so that during the meeting a thorough discussion and exchange of information can take place. To facilitate this distribution, the secretariat is asked to circulate, at each meeting, a more detailed list of participants, with their complete addresses, fax numbers, etc.

(e) The Commission also underlines the importance of paragraph 151 of the guidelines, and requests the secretariat, responsible for the drafting of the reports of the subsidiary bodies, to limit them to the strictly necessary, confining the text mainly to decisions taken and a minimum explanatory text including any reservations, interpretations or conditions considered essential by one or more delegations. The adoption of such reports should be completed in the minimum possible time.

(f) The Executive Secretary is requested to prepare a tabular presentation, reflecting the volume of the reports of all Bodies in the last four years, for consideration by the Sessional Committee of the annual sessions.

(g) The secretariat is invited to assure the adequate distribution of the above guidelines to all Bodies.

## II. STRUCTURE

(a) The Commission invites all its Principal Subsidiary Bodies to re-examine their structure, their mandates, and the work of their subsidiary bodies, and to redefine them to take account of the priorities identified by the Commission, and to assist the process of reform in economies in transition.

(b) For sectors not identified as priorities, the Commission decides the following:

(i) The Commission's organizational structure will be restricted to two levels below the level of the Commission, namely Principal Subsidiary Bodies and Working Parties. The Principal Subsidiary Bodies and the Working Parties are permitted to convene meetings of experts, to organize seminars and workshops, and to define tasks within their respective sectors. These meetings will undertake specific projects, aiming in particular to respond to the needs of economies in transition, with a strictly limited duration set at the time of their establishment.

(ii) Within limits of resources put at their disposal, taking into account agreed priorities, and so as to permit an orderly restructuring of work, Principal Subsidiary Bodies and Working Parties may decide to continue activities below the two levels mentioned above on a regular basis, subject to review two years from the date of the adoption of this decision. By the end of that period, those activities should be incorporated into the work of the corresponding Principal Subsidiary Body or Working Party, assigned to a time-limited ad hoc group, or discontinued. If none of these alternatives proves feasible, the Commission may decide to continue such activities on a regular basis, subject to further review in another two years.

(iii) If participation in two consecutive meetings of a Principal Subsidiary Body or Working Party reporting directly to the Commission is fewer than ten member States, the continuation of its work will be decided upon in the next annual session of the Commission. Similarly, if participation in two consecutive meetings of other Working Parties or of a regularly meeting region-wide third level body is fewer than ten member States, the continuation of their work will be decided upon by the Commission upon recommendation by the parent Principal Subsidiary Body or Working Party.

(iv) Principal Subsidiary Bodies and Working Parties reporting directly to the Commission may meet for a maximum of five half days per year, with the exception of the Working Party on Engineering Industries and Automation that will meet for a maximum of four half days every two years. Those bodies already having shorter meetings will continue to work under current ceilings. All these bodies may organize informal activities in connection with these meetings in order to make fullest possible use of available resources.

(v) The Senior Advisers on Science and Technology will meet in 1991 and 1992, and thereafter every two years, for a maximum of four half days. Between two meetings, after 1992, one seminar may be organized.

(vi) Other Working Parties will meet every 18 months with the exception of the Working Parties on Coal, Electric Power and Gas, that will meet annually, and those Working Parties already holding their meetings biennially. These meetings may have the maximum duration of four half days or, if actual meeting time is more than six half days, two half days below that time, unless otherwise decided by the Commission at the request of such a body. It is possible to organize informal activities in connection with these meetings.

(vii) Formal meetings of other bodies below the two levels mentioned in paragraph (b)(i) may not exceed two half days. Such meetings may be extended on an informal basis or, exceptionally, with services, by a decision of the respective Principal Subsidiary Body or Working Party.

(c) The Commission decides to make the following structural changes within the energy and industry sectors:

(i) Energy: The Committees on Coal, Electric Power and Gas are transformed into Working Parties under the auspices of a new Committee on Energy which will take up the work programme of the Senior Advisers on Energy.

(ii) Industry: The Chemical Industry Committee, the Steel Committee and the Meeting of Government Officials Responsible for Standardization Policies will be transformed into Working Parties reporting directly to the Commission.

(iii) These new Working Parties will take over the work currently undertaken by the Committees in question, provided that such work remains relevant to actual needs in the region. The Working Parties may also assume the most important ongoing activities now undertaken by current subsidiary bodies on a regular basis, provided that the total workload be accomplished within the limits established in paragraphs (b)(iv) and (vi) above.

## III. RESOURCES

(a) The Commission underlines the importance it attaches to the provision of additional human and financial resources, within the current budget of the ECE, to strengthen the priority sectors of environment, transport, statistics and trade facilitation, and reiterates its recommendations on the provision of computing and statistical support for the sector of economic analysis. It is understood that all activities not identified as priorities, including the work of the Central Office of the secretariat, may have to work in some cases within the context of diminished resources.

* * *

5. Requests its Principal Subsidiary Bodies to implement this decision without delay, and to report on action taken to the session of the Commission following their next meeting;

6. Requests the Executive Secretary to implement this decision, where the work of the secretariat is concerned, and to report on action taken to the next session of the Commission.

P (45) INSTITUTIONAL ARRANGEMENTS FOR ECE

The Economic Commission for Europe,

Bearing in mind resolution 36(IV) of the Economic and Social Council of 28 March 1947, containing the mandate of the ECE,

Stressing the importance of the political and economic reforms taking place in member Countries of the Economic Commission for Europe and taking into account the unique character of the Commission,

Recognizing that the Commission has a significant task in promoting economic co-operation,

Emphasizing the importance of the Charter of Paris for a New Europe and the documents of the Bonn Conference on Economic Co-operation and other fora of the CSCE,

Reaffirming the urgent need to support the efforts of democratic countries in transition towards the establishment of market economy and the creation of the basis for self-sustained economic and social growth, and stressing that the success of the transition to market economy is important and in the general interest of all ECE member Countries,

Underlining the necessity of the increased integration of economies in transition into the international economic and financial system,

Considering that increased emphasis on the economic co-operation process should take into account the interests of Member Countries developing from an economic point of view,

Considering that the process of economic reform and structural adjustment, with increased reliance on market forces, will enhance economic performance, improving the conditions for closer co-operation, and will contribute to a more open global economic system,

Conscious of the need for co-ordination among the different existing international institutions to avoid duplication, and to ensure the greatest possible effectiveness of their work,

Taking account of the limited resources available for the Commission's work within the UN regular budget, and the need to make the most effective use of staff and financial resources,

Taking note of the expeditious work of the Special Working Group and its recommendations for streamlining the work of the Commission and establishing its priorities,

Concerned to ensure that the work of the Commission is effectively geared towards the needs of the region as a whole,

Bearing in mind the need to apply working practices throughout the Commission that reflect the changing circumstances in the region,

Conscious of the need to provide guidelines on a continuing basis to the bodies of the Commission, and to offer guidance to the Executive Secretary,

Wishing to streamline the work of the Annual Session,

1. Requests the Chairman of the Commission to convene, between Annual Sessions, a one-day ad hoc informal meeting of the Commission, including facilities of translation and interpretation, at least once every three months, and to organize such consultations of the member States as may be necessary to ensure the success of the ad hoc informal meetings. The Executive Secretary will participate in the ad hoc informal meetings of the Commission, and may be assisted by other members of his staff.

The ad hoc informal meetings will organize their own work programme and methods of work;

2. Decides that the ad hoc informal meetings of the Commission will have, inter alia, the following tasks:

(a) to consult on policy matters concerning the activities of the Commission;

(b) to assist preparations for the Annual Sessions of the Commission;

(c) to monitor progress in the work programmes of the Commission, and to ensure the proper and expeditious implementation of the Commission's decisions, in particular the decisions of the Resumed Forty-fifth Annual Session; and

(d) to offer any necessary guidance to the Executive Secretary on the work of the Commission, including matters concerning the most efficient use of available staff and financial resources, and the prevention of unnecesasry duplication;

3. Decides that the Annual Session of the Commission shall be shortened with immediate effect in response to new and more efficient working methods; for the forty-sixth session, the target is set at seven working days;

4. The Commission recognizes that these provisions may require review in the light of experience and prevailing circumstances.

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